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REMARKS

Claims 22 and 23 are pending in this application where claim 22 is the sole independent claim. Claims 1- 21 have been canceled in this Amendment.

Claim 22 currently stands rejected under 35 U.S.C. 103(a) as being unpatentable over Pitti (Pitti, Donald R. "Variable Life: The Buyer's Choice" Feb. 1989 Best's Review pg. 52 – 54) in view of Rothman (Rothman, Sheri. "Replacing Insurance Gets Harder in New York" Jan. 1, 1999. Bank Investment Marketing pg. 1), further in view of Sobczak (Sobczak, Carol A., Robins, Lawrence A. "Irrevocable Life Insurance Trusts" Sept./Oct. 1996 Vol. 28, Iss. 5. pg 46), and further in view of Golden (U.S. Pat. No. 5,933, 815).

Claim 23 currently stands rejected under 35 U.S.C. 103(a) as being unpatentable over Pitti in view of Sobczak, further in view of Rothman, further in view of Golden, and further in view of Smith (U.S. 2002/0091610).

In light of the following discussion, the rejections are respectfully traversed. As set forth in claim 22, a method for issuing an investment style life insurance policy to an insured over a computer network is disclosed which includes receiving via the computer network by an issuer of the investment style life insurance policy assignment of an existing term life insurance policy on the insured having a defined death benefit, issuing by the issuer an investment style life insurance policy to the insured, in which a death benefit of the investment style life insurance policy equals the defined death benefit of the existing term life insurance policy received by the issuer, and receiving via the computer network by the issuer assignment to one or more assets, rights and/or liabilities from the insured.

As recognized by the Examiner in his remarks on page 24 of the Office Action, Pitti fails to disclose receiving via a computer network, receiving by an issuer of an investment style life insurance policy assignment of an existing life insurance policy on the insured having a defined death benefit, a death benefit of the investment style life insurance policy equals the defined death benefit of the existing term life insurance policy received by the issuer, and receiving via the computer network by the issuer assignment to one or more assets, rights and/or liabilities from the insured .

Applicant respectfully disagrees with the Examiner's statement that the claimed limitations not disclosed by Pitti noted above are old and well known in the art. Applicant

further respectfully disagrees that Sobczak discloses a method for modifying a combination investment/life insurance on an insured comprising receiving by an issuer of the investment style life insurance policy assignment of an existing term life insurance policy on the insured having a defined death benefit as asserted by the Examiner. While the Applicant agrees that Sobczak discloses transferring an insurance policy to a trustee, there is no showing, teaching or suggestion in Sobczak that the assignment be made to the issuer of the investment style life insurance policy as claimed in claim 22.

In addition, Sobczak makes no reference whatsoever to a combination of receiving via a computer network an assignment of an existing life insurance policy and issuing an investment life insurance policy to the insured. Thus, the motivation to combine Pitti with Sobczak is lacking. For an implicit showing, the test is what "the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art." In re Kotzab, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000); see also MPEP sec. 2143.01(I.). Applicant believes that the nature of the problem in Sobczak is dealing with saving estate taxes by creation of an irrevocable life insurance trust (pg. 1, para. 2). Saving estate taxes is totally unrelated to the nature of the problem presented by Pitti which is how to provide insurance products that provide more features, with greater flexibility, simplicity at a relatively lower cost (pg. 52, col. 2). The tax benefits mentioned in Pitti (pg. 54, col. 1) relate to the tax-free accumulation and tax-free switching of assets underlying the investment option of variable life insurance. Accordingly, Applicant respectfully asserts that the Examiner has not shown a proper basis for making the combination of Pitti and Sobczak under the Kotzab test.

Even if Sobczak disclosed receiving by an issuer of an investment style life insurance policy assignment of an existing life insurance policy on the insured having a defined death benefit via a computer network (which Applicant asserts it does not), the mere fact that both Pitti and Sobczak mention tax savings does not give rise to the requisite motivation to combine the references as neither reference suggests the desirability of the invention as claimed in claim 22. See, e.g., In re Rouffet, 149 F.3d 1350, 1357, 47 USPQ2d 1453, 1457-58 (Fed. Cir. 1998) (The combination of the references taught every element of the claimed invention, however without a motivation to combine, a rejection based on a prima facie case of obvious was held improper.)

The Examiner states on page 25 of the Office Action that Rothman discloses a death benefit of the investment style life insurance policy equals the defined death benefit of the existing term life insurance policy received by the issuer. Applicant respectfully asserts that Rothman is completely silent with respect to the types of insurance being replaced in the article. Applicant further asserts that Rothman does not show, teach or suggest whatsoever that an issuer of an investment style life insurance policy receive via a computer network assignment of an existing life insurance policy on the insured having a defined death benefit in which a death benefit of the investment style life insurance policy equals the defined death benefit of the existing term life insurance policy received by the issuer as claimed in claim 22.

Aside from failing to show, teach or suggest the claimed limitation, Rothman completely lacks any stated motivation to be combined with Pitti and Sobczak. While the Examiner states that the motivation is to provide consumers with additional insurance policy options such as modification, termination or replacement, Rothman makes no mention of such policy option or motivation. Nor does Pitti or Sobczak including any showing or suggestion that they be combined with Rothman As a result, there is nothing in the prior art as a whole that suggests the desirability of the combination of Rothman, Pitti and Sobczak as asserted by Examiner. See In re Fulton, 391 F.3d 1195, 73 USPQ2d 1141 (Fed. Cir. 2004).

Lastly, with regard to claim 22, the Examiner cites Golden as disclosing receiving via a computer network by the issuer by assignment to one or more assets, rights and/or liabilities from the insured. Applicant respectfully submits that while Golden does disclose asset transfer as noted by the Examiner, Golden deals with guaranteed financial vehicles such as Guaranteed Interest Rate Options ("GIROs") which are similar to bonds (col. 7, lines 9 – 24). Although Golden discloses the guaranteed financial vehicles are administered by an insurance company, such vehicles are not insurance, but rather provide a person with guaranteed lifetime income based on at least an initial contribution of assets, such as from a rollover individual retirement account ("IRA") or qualified or non qualified retirement plan, while providing the person with a measure of liquidity in the assets invested in the program (col. 1, lines 14 – 23). In addition, Golden is directed to optimization of the use of retirement assets while providing the retiree with guaranteed income for the remainder of his or a joint annuitant's life. Accordingly, the guaranteed

financial vehicles in Golden are more accurately characterized as annuities rather than insurance. Thus, Golden does not show, teach or suggest by assignment to one or more assets, rights and/or liabilities from the insured.

Even if Golden did show, teach or suggest the claim limitation as asserted by the Examiner (which Applicant asserts is not the case), the Applicant respectfully submits that none of the cited references include any suggestion to support the asserted combination. Not only does the prior art not teach the desirability of the asserted combination of references, but the motivation cited by the Examiner in Golden (Col. 2, lines 24 – 45) is not directed towards insurance but rather to guaranteed financial vehicles as noted above. There is no suggestion whatsoever in Golden that the benefits of the disclosed method and system which automatically allocates an initial contribution of assets, such as from an IRA or retirement plan, according to a desired payment plan among a series of guaranteed financial vehicles with a determinable market value and at least one life contingent financial vehicle are applicable to insurance.

For the reasons cited above, claim 22 is thus felt to be patentably distinct over the cited art.

Claim 23 include all the limitations of claim 22 and is thus felt to be patentably distinct over the cited art as well for the reasons cited above. In addition, claim 23 includes the additional limitation of receiving by the issuer periodic electronic payments from the insured representing a premium payment. The Examiner asserts that such limitation is old and well know as evidenced by Smith on page 1, para. 0010.

Applicant respectfully submits that Smith merely discloses the receipt of premium payments in paragraph 0010. However, even if Smith did disclose the claimed limitation, there is no proper basis to combine Smith with Pitti, Sobczak, Rothman and Golden as asserted by the Examiner. Smith discloses the merger of a insurance transaction and a capital market transaction into one product (pg. 2, para 0013). There is simply no showing, teaching or suggestion in Smith to support the asserted combination. Moreover, as the combination of Smith and the other cited references would require at least some modification to one or more of the disclosed financial vehicles (e.g., insurance, annuity, capital market transaction) given the distinctions among them, absent any instruction in the cited art to perform such modification, the combination is improper and cannot

support a prima facie case of obviousness. In re Ratti, 270 F.2d 810, 123 USPQ 349 (CCPA 1959).

Conclusion

In view of the foregoing, it is believed that the application is now in condition for allowance and early passage of this case to issue is respectfully requested. If the Examiner believes there are still unresolved issues, a telephone call to the undersigned would be welcomed.

Fees

If there are any fees due and owing in respect to this amendment, the Examiner is authorized to charge such fees to deposit account number 50-1047.

Respectfully submitted,

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